

SECTION G
CONTRACT ADMINISTRATION DATA

G.1 Section G

Network Reimbursement.

G.1.1. Prescription Costs:

G.1.1.1. The Government will bear the cost of prescriptions dispensed under this contract. The contractor shall establish and use two separate bank accounts to reimburse pharmacies for dispensed prescriptions in accordance with this section. One bank account will be used for transactions related to beneficiaries who are covered by TRICARE, but not Medicare (TRICARE-only Eligibles). The second bank account will be used for transactions related to dual eligible beneficiaries who are eligible for coverage under both Medicare and TRICARE (Medicare-Dual Eligibles). New bank accounts for both categories will be established for each fiscal year. The contractor shall account for all transactions, ensuring no commingling of funds between the two bank accounts.

G.1.1.2. The contractor shall establish the bank accounts with a commercial bank that has FEDWIRE capability based on U.S. Department of the Treasury requirements at the time. The contractor will submit bank information to TMA, Contract Resource Management Directorate (TMA/CRM) not later than 60 calendar days prior to the beginning of processing claims on a new account. Information must include:

G.1.1.2.1. Bank's name

G.1.1.2.2. Overnight mail address

G.1.1.2.3. ABA (American Banking Association) routing number

G.1.1.2.4. Bank's Taxpayer Identification Number (TIN)

G.1.1.2.5. Contractor's bank account numbers

G.1.1.2.6. Individual and an alternate at the bank to be a point of contact including their phone number, fax number and email address.

G.1.1.2.7. Individual and alternate at contractor to be a point of contact including their phone number, fax number and email address.

G.1.1.3. Claim payments will be identified and paid for Medicare-dual eligible claims or TRICARE-only eligible claims from the appropriate bank accounts referenced above. For network pharmacies, payments will be in accordance with the agreements that exist between the contractor and its network pharmacies, e.g., AWP minus discount, plus Dispensing Fee, minus the collected co-pay. For non-network pharmacy claims, the contractor shall reimburse the submitter of the claim, billed charges minus applicable co-pays and deductibles in accordance with 32 CFR 199. Upon processing a claim to completion, the contractor shall submit data to be used by the Pharmacy Data Transaction Service (PDTS) to generate a TRICARE Encounter Data (TED) record to TMA.

G.1.1.4. PDTS will submit TED records to TMA on a daily basis, following a ten-day hold for each transaction. TMA will validate that the voucher header balances with the number and dollar amount of records listed. After acceptance of the TED vouchers, the Government will provide the contractor, by 11AM EST the following business day, written assurance that sufficient funding has been obligated to pay for all reported transactions. If the contractor prepares payments on a daily basis (based on the daily TED submissions) a control number shall be included on the daily funding authorization which will authorize the contractor to mail/transmit payments to the pharmacies and beneficiaries. If the contractor does not process payments on a daily basis, then prior to payment preparation, the contractor shall contact a TMA/CRM Fund Certification Officer to receive a payment authorization control number. The contractor must provide to TMA/CRM Fund Certification Officer by e-mail or other agreed upon method, the total amount of payments by bank account and all TED voucher numbers being paid

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(TED voucher header totals by bank account and payment request totals by bank account must be equal to one another)

G.1.1.4.1. If the payment request balances with TMA/CRM records, the Fund Certification Officer shall provide the contractor with payment authorization code(s) and amounts authorizing the release of payments to beneficiaries and providers by 11AM EST the following business day.

G.1.1.5. Payment Reporting Requirements (Ref Section F.2.14.)

G.1.1.5.1. Each day following the receipt of benefit payment release authorization from TMA and after the preparation of the payments, the contractor shall transmit an electronic file to TMA/CRM of the payments issued. All payments issued against the bank account must be reported electronically, including manual payments (ref below). The file name should be the authorization code received from TMA. This file shall contain the following information:

G.1.1.5.1.1. Automated Standard Application for Payment (ASAP) Number associated with Bank Account from which payments are drawn

G.1.1.5.1.2. Check number/trace number

G.1.1.5.1.3. Check/payment date

G.1.1.5.1.4. Payee

G.1.1.5.1.5. Provider number

G.1.1.5.1.6. Dollar amount of the payments

G.1.1.5.1.7. Authorization number for release of the payments. (Authorization code and associated authorized amount must equal total dollar amount of payments reported).

G.1.1.5.1.8. The total of the payments contained in the file shall equal the total dollar amount authorized by TMA.

G.1.1.5.2. The contractor is required to immediately notify TMA/CRM if they are unable to transmit electronic payment issue reports within the required 24 hours. Failure to notify TMA/CRM could result in payment offsets occurring against the contractor identified on the ASAP Number.

G.1.1.5.3. The contractor shall require the bank to transmit directly to TMA (no less than monthly) a listing of all payments clearing the account. The listing shall include the check/trace number and the dollar amount. This shall also be in an electronic format. (Ref Section F.2.15.)

G.1.1.5.4. Payments may only be made manually (not using PDTS) with prior approval from the Contracting Officer. Manual payments will only be approved for exceptional and unusual situations. Requests for approval of manual payments shall include:

G.1.1.5.4.1. Information concerning the payee and claim.

G.1.1.5.4.2. Valid, complete supporting documentation such as claim forms, necessary approvals, etc.

G.1.1.5.4.3. Written explanation of why the payments were not processed using PDTS.

G.1.1.5.4.4. Computation of claim payment amount.

G.1.1.6. As checks or Electronic Funds Transfers (EFT) are presented for payment, the contractor's bank will be permitted to withdraw funds directly from the Federal Reserve to cover these payments. These draws shall only be for TMA approved, contractor payments (less related deposits). By only drawing the amount needed to cover payments clearing the bank on a given day, the bank accounts should effectively maintain a zero balance at the end of each day. The contractor is responsible for ensuring that draws do not exceed the amounts

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authorized. The contractor shall ensure bank procedures include sufficient controls that draws are calculated correctly. In the unlikely event that an excess draw occurs the bank should be able to identify and return it immediately. Interest will be charged beginning the day after the over draw. Interest will be calculated at the Treasury's Current Value of Funds interest rate plus 6% APR applied to the amount of the over draw. Additionally, misuse of these bank accounts could result in revocation or suspension of the contractor's authority to draw funds on the Federal Reserve Bank requiring that the contractor cover payments at no cost to the Government until they manually bill and are reimbursed by the Government.

G.1.1.7. The network pharmacy payments will be accumulated until the payment date is reached based on the payment agreements with the network pharmacies. The payments issued by the contractor to the pharmacies, beneficiaries or providers must match in detail the dollar totals of the daily vouchers submitted to TMA.

G.1.2. TED Voucher Preparation and Submission

G.1.2.1. Each TED voucher submitted by PDTS will include a voucher header record identifying whether the voucher represents Medicare-dual eligible beneficiaries or TRICARE-only eligible beneficiaries. This shall identify from which account the contractor shall make payment.

G.1.2.2. The contractor shall ensure the ASAP Number assigned by the Government is provided to PDTS to be included in the voucher header for each TED batch submittal or the voucher will be rejected.

G.1.2.3. The contractor shall ensure the Administrative Fee CLIN (see Section G.2. below) is provided to PDTS to be included in the voucher detail (associated with each transaction) for each TED voucher submittal or the contractor shall not be paid the Administrative Fee.

G.1.2.4. Upon acceptance of a voucher by the Government, the voucher header and detail amounts become "fixed" data elements in the finance and accounting system for purposes of control and integrity. Corrections or adjustments to reported amounts (Government Paid Dollars) must be accomplished on separate voucher transmissions.

G.1.2.5. The TED system allows for the categorization of claim errors based on the type or classification of error failed during the edit process. Edits specified in the TRICARE Systems Manual (TSM), Chapter 2, Section 9.1, (listed at Attachment 5, Section J) Voucher Cost Allocation (VCA) Edits, will be used to determine the propriety of payments. TED records that fail VCA Edits will be "flagged." Notification of records failing the edit check will be returned to PDTS within 24 hours and forwarded to the contractor within 24 hours of receipt by PDTS. The contractor will have 90 calendar days to correct the claims "flagged" by the Government. After 90 calendar days, the Government will issue a demand letter requiring resolution or reimbursement for all pharmaceuticals identified by TED as edit failures. The contractor will have 30 calendar days to respond if a TED record(s) in question cannot be corrected. If resolution cannot be reached, the Government will recoup the total dollar amount of the dispensed pharmaceuticals and any associated administrative fees paid to the contractor.

G.1.2.5.1. PDTS will submit TRICARE Encounter Data (TED) records to TMA for payment authorization. Any records rejected by TMA will be returned to PDTS for correction by PDTS if the record was rejected due to a PDTS error. If the rejection was caused by a contractor error, PDTS will notify the contractor of the error and require correction. The contractor shall not be held accountable for data errors caused by PDTS. Corrections shall be completed as follows.

G.1.2.5.2. TRICARE Encounter Data Accuracy - Validity Edits. This relates to system edit accuracy rates. The contractor and PDTS shall have the following percentages of TEDs (initial submissions, resubmissions and

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adjustment/cancellation submissions) passing the TMA edits for the following periods following the start-work date of the contract:

Months one through three	90 percent
Months four through six	95 percent
Months seven through nine	98 percent
Months ten and forward	99 percent

G.1.2.5.3. TRICARE Encounter Data Accuracy - Provisional Edits. This relates to system edit accuracy rates. The contractor and PDTS shall have the following Percentages of TEDs (initial submissions and adjustment/cancellation submissions) passing the TMA edits for the following periods following the start-work date of the contract:

Months one through three	70 percent
Months four through six	80 percent
Months seven through nine	90 percent
Months ten and forward	95 percent

G.1.2.5.4. TRICARE Encounter Data Timeliness: All initial submission vouchers shall be transmitted to TMA within 11 calendar days of the processed to completion date (processed to completion date on the TED record shall reflect the date the prescription was dispensed).

G.1.2.5.5. Voucher Timeliness. Vouchers having TEDs (initial submissions, resubmissions and adjustment/cancellation submissions) that fail validity edits shall be corrected and resubmitted to TMA in accordance with the following standards. The resubmission data shall contain all TEDs rejected on the voucher in question.

95% within 20 calendar days from the date transmitted by TMA to PDTS
100% within 30 calendar days from the date transmitted by TMA to PDTS

G.1.2.5.6. TED Accuracy/Timeliness. Provisionally accepted TEDs shall be corrected by the contractor or PDTS and received by TMA following notification by TMA as follows:

90% within 60 calendar days
100% within 90 calendar days

G.1.2.5.7. Voucher Accuracy. Vouchers containing validity edit errors, excluding header rejects, must be accepted by the TED edit system in accordance with the standards listed below. Each failure by a voucher to pass the edits will be counted in the calculations.

95% within two resubmissions
100% within three resubmissions

G.1.2.6. The contractor shall not have any recourse against TRICARE beneficiaries for monies recouped from the contractor by TMA without the prior approval of the Contracting Officer. These procedures only apply to "flagged" edit failures as specified in the TSM at Attachment 5, Section J.

G.1.3. Reconciliation:

G.1.3.1. A Pharmacy Voucher/Bank Reconciliation Report will be completed monthly for the previous month's transactions and submitted to TMA/CRM to reconcile TED records and payment related transactions. The format is provided in the TSM at Attachment 5, Section J. (Ref Section F.2.16.)

G.1.4. Accounts Receivable Report

G.1.4.1 An Accounts Receivable Report will be completed monthly for the status of claim related recoupments as of the end of the month and submitted to TMA/CRM for reporting purposes. The format is provided at Attachment 14, Section J. (Ref Section F.2.17.)

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G.2. Payments for Administrative Fees (CLINs 1001, 1002, 2001, 2002, 3001, 3002, 4001, 4002, 5001, and 5002), Prior Authorizations, (CLINs 1003, 1004, 2003, 2004, 3003, 3004, 4003, 4004, 5003, 5004), and Medical Necessity Determinations (1005, 2005, 3005, 4005, 5005) based on TED Submissions

G.2.1. To receive payment for a TED record submission to TMA, the contractor must provide to PDTS (along with all other required information) the CLIN authorizing the administrative payment. PDTS will generate TED records based on data submitted to PDTS by the contractor. The contractor is responsible for the data it submits to PDTS. PDTS will run various edits to ensure the data has no obvious errors. If errors are identified, the contractor will be notified and required to correct the data. PDTS will transmit TED records on a daily basis. If a TED record or voucher is rejected due to submission of erroneous data by the contractor, the contractor will be notified by PDTS and will be required to correct identified errors. PDTS generates a TED record for each prescription filled and for each Prior Authorization review and for each Medical Necessity Determination completed. The contractor shall be paid one amount per TED record at the unit price specified at Section B. The number of accepted TED records, accumulated by CLIN, multiplied by the appropriate CLIN unit price determines the amount due the contractor. Only one fee shall be paid per Internal Control Number (ICN). No additional amount will be paid for correction or adjustment records. The Government shall pay any amount due to the contractor 20 calendar days after acceptance or provisional acceptance of the TED record. Payment due date will be adjusted if processing delay is TMA caused.

G.2.2. Internal Control Number (ICN)

The ICN is the unique number assigned by PDTS to each transaction record. The ICN will be included in the TED record by PDTS and will be returned to the contractor for tracking and audit purposes. This number will be used to identify any records requiring adjustment or cancellation of the TED record submitted to TMA.

G.2.3. Determination of Payment. Payment of administrative fees will be made based on the the CLIN unit price multiplied by the number of eligible records with that CLIN. The administrative payment CLIN specified on the TED record must coincide with the Option Period in effect at the time the contractor first created the voucher for transmission to the Government. The Batch/Voucher Date as defined in the TSM Chapter 2, Section 2.3 will be used to determine if the CLIN specified by the contractor is in the correct Option Period. No fee shall be paid if the Option Period of the Batch/Voucher Date and the Option Period on the CLIN do not match. Once a payment has been made, the CLIN field on the TED record will be locked. If the contractor was paid using the wrong CLIN, the contractor must cancel the TED record and resubmit the TED information using a new TED ICN with the original bank account in the voucher header and specify the correct CLIN on the new record.

G.3. Phase-In (CLIN 0001), Information System Certification and Accreditation, Physical and Personnel Security in accordance with C.14.6, C.14.7, and C.14.8 (CLINs 0002, 1008, 2008, 3008, 4008, and 5008) and Phase-Out (CLINs 1007, 2007, 3007, 4007, and 5007)

Payment for phase-in, Information System Certification and Accreditation, Physical and Personnel Security, and phase-out activities shall be made no more frequently than monthly based upon submission (electronic) of a completed and accepted DD Form 250. The total payment amount shall not exceed the amount authorized for the applicable period in the schedule at Section B.

G.4. Financial Incentives

Payment for financial incentives will be paid based on submission (electronic) of a DD250 and the computation described in Section H.

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G.5. Contract Administration. The Contract Management Division, TRICARE Management Activity, will perform contract administration except as delegated to other Government agencies by the Contracting Officer. The following individuals will be the Government points of contact during the performance of this contract.

G.5.1. Contracting Officer: The Contracting Officer is responsible for administration of this contract and is solely authorized to take action on behalf of the Government that may result in changes to the terms of this contract, including deviation from Section C.

G.5.2. Contracting Officer's Representative: The Contracting Officer will designate an individual to act as the Contracting Officer's Representative (COR). The COR does not have the authority to act on behalf of the Contracting Officer beyond his or her specific written delegation of authority. The COR does not have the authority to change contract requirements.

G.6. The Government and the contractor shall meet at least quarterly to discuss management and operational issues as specified in the contract Surveillance Plan at Attachment 15, section J.